

20th December 1922] [The Raja of Panagal]

has not come from the Corporation is because the urgency is for the Government and not for the Corporation. The show of the exhibition is to be run by the Government and not by the Corporation, and that is why it is the Government that are interested. That is the reason why the request has not come from the Corporation. Three of the Corporation members who have taken part in the debate on this motion have stated that they have no objection to the Bill being passed. The provisions of the Bill insist on the previous approval of the Corporation for the utilization of the services of these officers either by the Government or by any other body. In these circumstances I do not see any reason why there should be any objection to the passage of the Bill."

The motion was put and carried.

The Secretary then read the title of the Bill.

The hon. the RAJA OF PANAGAL :—"Sir, I move that the Bill be not referred to a Select Committee."

The hon. Rai Bahadur K. VENKATAREDDI NAYUDU :—"I second the motion."

The motion was put and carried.

The hon. the RAJA OF PANAGAL :—"I request the hon. the President to suspend the operation of Standing Order No. 39."

The hon. Rai Bahadur K. VENKATAREDDI NAYUDU :—"I second it."

The hon. the President suspended the operation of Standing Order No. 39.

The hon. the RAJA OF PANAGAL :—"I move that the Bill be taken into consideration at once."

The hon. Rai Bahadur K. VENKATAREDDI NAYUDU :—"I second the motion."

The motion was put to the Council and carried.

The hon. the RAJA OF PANAGAL :—"I now move, Sir, that the Bill be passed into law."

The hon. Rai Bahadur K. VENKATAREDDI NAYUDU :—"I second the motion."

The motion was put and carried, and the Bill was passed into law.

(2)

[A BILL TO REGULATE STATE AID TO INDUSTRIES, 1922—cont.]

Consideration of the Bill to regulate State aid to Industries, 1922, was then resumed.

Clause 3.

Sub-clause (2).

Mr. A. RANGANATHA MUDALIYAR :—"Sir, I beg to move

6. (i) *After the words 'banking interests' insert the words 'and mufassal or cottage industries'.*

(ii) *Omit the words 'one of'.*

(iii) *For the words 'a person' substitute the words 'as far as possible, persons'.*

(iv) *Omit the full stop at the end and add the words 'or industries'.*

[Mr. A. Ranganatha Mudaliyar]

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Clause 3—cont.

“The sub-clause, if amended as above, will read thus: ‘The Chairman and the remaining members shall be appointed by the Local Government by notification in the *Fort St. George Gazette*, provided that, if banking interests and mufassal or cottage industries are not represented by election, the persons so appointed shall be, as far as possible, persons representing such interests or industries’.

“I do not think many words are necessary, after the discussion yesterday, in support of the amendments I have ventured to place before the House. It seems to me to be of imperative importance that mufassal interests should also be represented in this committee. Again, as admitted by the hon. the Minister for Development, cottage industries are likely to play an increasing part in the progress of the country. Therefore, Sir, it seems to me essential that these industries also should be represented on the committee by at least one member. I therefore move these amendments.”

Mr. T. SIVASANKARAM PILLAI :—“I second the amendments.”

The hon. Rai Bahadur K. VENKATAREDDI NAYUDU :—“Sir, I submitted yesterday, in asking my hon. Friend, Mr. Gopalakrishnayya, to withdraw his motion that I was perfectly willing to satisfy the House on the points raised in the amendments before the House. In order to avoid a number of amendments and in order to make the clause clear, I drafted a clause myself incorporating the amendments of my friend, Mr. Ranganatha Mudaliyar, and showed it to him and he has accepted it. It runs thus :

Provided that if banking or mufassal interests or cottage industries are not represented by election the members so appointed shall include, as far as possible, persons who represent such interests or industries.

“I wish to substitute this for the existing proviso in sub-clause (2).”

Mr. A. RANGANATHA MUDALIYAR :—“As already indicated, I have accepted the proposal of the hon. the Minister. Whatever formal procedure is necessary for introducing the change, I am willing to accept.”

The hon. the PRESIDENT :—“The hon. Member, Mr. Ranganatha Mudaliyar, has first to withdraw his amendments with the permission of the House and then the hon. the Minister may, with the permission of the House, move his amendment.”

Mr. A. RANGANATHA MUDALIYAR :—“I beg leave to withdraw my amendments, Sir.”

The amendments were by leave withdrawn.

The hon. Rai Bahadur K. VENKATAREDDI NAYUDU :—“I beg your permission and the permission of the House, Sir, to move the following amendment :—

For the proviso in sub-clause (2), substitute the following :—

‘Provided that if banking or mufassal interests or cottage industries are not represented by election the members so appointed shall include, as far as possible, persons who represent such interests or industries.’ ”

The hon. the RAJA OF PANAGAL :—“I second the amendment.”

Sriman SASIBHUSHAN RATH Mahasayo :—“I move, Sir, that the words ‘as far as possible’ in this amendment be omitted.”

“Mr. M. SURYANARAYANA PANTULU :—“I second it.”

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Clause 3—cont.

The hon. Rai Bahadur K. VENKATAREDDI NAYUDU :—“ I oppose the amendment, Sir. The words ‘as far as possible’ are taken from the original amendment of Mr. Ranganatha Mudaliyar. My amendment is a compromise between us. The second point is, if the hands of the Government are tied down, the nomination will be a very difficult task.”

Sriman SASIBHUSHAN RATH Mahasayo :—“ The point is this. No doubt, provision is made for election. But if these banking or mufassal interests and cottage industries are not represented by election and if the words ‘as far as possible’ are not removed, it will not be binding on the Government to appoint persons representing these interests or industries.”

The amendment of Sriman Sasibhushan Rath Mahasayo was put and lost.

The amendment of the hon. Rai Bahadur K. Venkatareddi Nayudu was put and carried.

The following amendment was not moved and was therefore deemed to have been withdrawn :—

New proviso.

Rao Bahadur K. GOPALAKRISHNAYYA :—

7. *Add the following as proviso at the end of the clause :—
‘provided that no member of the Board of Industries shall be so disqualified if he is a shareholder (other than a director) of an incorporated company.’*

Clause 3 as amended was put and carried and added to the Bill.

Clause 4.

12 noon.

Clause 4 was passed and added to the Bill.

Clause 5.

Sub-clause (1).

The following amendment standing in the name of Mr. S. Arpudaswami Udayar was not moved and was therefore deemed to have been withdrawn :—

8. *In item (b) after the word ‘areas’ insert the words ‘which are eminently suited for the same and’*

Rao Bahadur K. GOPALAKRISHNAYYA :—“ Sir, I beg to move the following amendments :—

9. (i) *in item (c) after the word ‘industries’ add the word ‘or’.*

(ii) *Add the following as item (d) :—
‘agricultural or horticultural industries.’*

“ In my amendment there are three items, of which I do not move the first item, viz., in item (b) omit the last word ‘or’. I move the other items; that is, as amended, the sub-clause will read as follows :—

“ *The industries to which aid may be given under this Act shall be such as have an important bearing on the economic development of the country and shall be :*

(a) *new or nascent industries, or*

(b) *industries to be newly introduced into areas where such industries are undeveloped, or*

(c) *cottage industries, or*

(d) *agricultural or horticultural industries.*

[Mr. K. Gopalakrishnayya]

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Clause 5—cont.

"On reading this clause I was struck by the fact that the agricultural and horticultural industries have been omitted from this Bill. We know, Sir, that this country is pre-eminently an agricultural country and three-fourths of the people live by agriculture. Prominence will have to be given to agriculture. In this connexion I may bring to the notice of the hon. the Minister that on the occasion of opening the paddy farm at Maruthukudi at which His Excellency the Governor presided, the hon. the Minister made the following remarks :

Agriculture is the key industry of this country, and whatever attempts we may make in bringing about the industrial regeneration of this land, agriculture must remain the key industry of this country for generations to come, and in any attempt to increase the national wealth of this land this industry of agriculture must take the first place in the consideration of the Government.

"So here is an opportunity for the hon. Minister to put into practice what he said then. With that purpose I move the amendment so that agricultural aid also may be given to the agriculturists."

Mr. J. KUPPUSWAMI seconded the amendment.

The hon. Rai Bahadur K. VENKATAREDDI NAYUDU :—"Sir, I do not yield to my hon. friend, coming as we both do from agricultural communities, in estimating the importance of agriculture in this land at its proper value ; nor do I, for a moment, withdraw a word of what I said on the occasion to which reference has been made by my hon. friend. But this Bill is intended solely for the purpose of developing industries as such. No doubt in one sense agriculture gets the name of industry. The whole problem of agriculture is a very wide one, and my hon. friend will agree with me when I point out that it has an importance of its own which has to be dealt with separately. I have for some time been considering the question of agricultural development. The question, as is just now pointed out, is so very vast and wide that it is very difficult to come to any conclusion. I have not been able yet to place certain schemes, which I have in my mind, before my colleagues in the Cabinet. And I can assure my hon. friend that I have given some attention to this subject, and the one great difficulty which I have been feeling for some time past is the unfortunate division of properties into small holdings. That is the problem which I have been trying to tackle for some time past, but it extends beyond my field, and I have to obtain the co-operation and assistance of others in arriving at conclusions in that matter. However I may tell my hon. friend that I have this question of agricultural development in my mind and that I have been giving my best attention to it, and I hope before the end of next year I may be able to present a scheme acceptable to the House and to the public."

Mr. A. RANGANATHA MUDALIYAR :—"Sir, the idea of the mover is that something should be done to develop agricultural industry. I want to know if it is not possible to do it under the Land Improvement Loans Act and the Agriculturists' Loans Act which are already on the statute. I think this will be an additional reason to urge on the hon. mover to withdraw his amendment."

Rao Bahadur K. GOPALAKRISHNAYYA :—"I gather from the hon. Minister's speech that he is intending to introduce a measure separately for agriculture. In that case it will be very beneficial to the public. May I take it that he is going to introduce another Bill for agriculture?"

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Clause 5—cont.

The hon. Rai Bahadur K. VENKATAREDDI NAYUDU :—“ As I said, it will have to receive the previous sanction of the Cabinet and it requires a little more study from me. So far as I am concerned, I have no objection.”

The amendment was, by leave, withdrawn.

Sub-clause (2).

Rao Bahadur C. V. S. NARASIMHA RAJU :—

In item (b) after the words ‘from time to time’ insert the words ‘designing to give an opportunity to small investors, and’.

“The object of this amendment is this: now, as the Bill stands, it gives aid to individuals taking interest in industries and also it gives an opportunity for joint-stock companies to have State aid. But the question remains as to what sort of companies must be aided by the State. There may be companies where the shares are limited only to big investors, a share being of the value of Rs. 1,000, 2,000 and so on. The object of my amendment is that in all cases where Government intend to give State aid to joint-stock companies the companies must be floated on such a basis that small capitalists may take shares in them. I may be permitted to say that this is not my idea, but it is found in the Report of the Industries Commission. At page 185, paragraph 298, they say :

In order to secure that the opportunity of subscribing to such undertakings is open to all classes of the public, we think that Government should control the allotment of shares, for example, by formulating rules designed to give an opportunity to small investors to joining in industrial enterprises and to induce the Indian public to take any interest in industries.

“Now, this clause is intended to give power to the Government to make rules. I think the Government may be given the power to frame rules so that such companies as have their shares on a small basis and ordinary individuals may take interest in the industrial development of the country. With these few words I commend this amendment to the acceptance of the House.”

Sriman SASIBHUSHAN RATH Mahasayo seconded the amendment.

The hon. Rai Bahadur K. VENKATAREDDI NAYUDU :—“ I beg to oppose this amendment. If this amendment is accepted it will mean that we are practically restricting our aid to such associations or big companies which conform to our rules prescribing the value of a share. No doubt, small shares will enable small investors to put in their money. While I am in sympathy with them, I shall certainly oppose, Sir, any measure which will put inconvenient restrictions upon investors.

“Then, Sir, we have also got the Board which will examine any application for aid under this Bill. Certainly, if the Board thinks that the shares are so very large that it will not benefit the class of people whom they like to help, it is entirely at liberty to reject the application. After all, there are the Board and the Government who have got the leading strings in their hands. Any restriction as regards shares will make capital shy and such enterprise as may be forthcoming may be chilled. I would therefore request my hon. friend not to press his amendment.”

Rao Bahadur C. V. S. NARASIMHA RAJU :—“ Mr. President, I am unable to accept the salutary advice given by my hon. friend the Minister for Development. The reason why I gave notice of this amendment is exactly

[Mr. C. V. S. Narasimha Raju] [20th December 1922]

*Clause 5—cont.**Sub-clause (2)—cont.*

the reason which he has now put before the Council. I know that the strings will be in the hands of the Government and the Board. The position of the Board is only advisory and the final orders of Government are mere executive orders. As representatives of the people, it is, I think, our duty to demur to the demand from the executive to put as much power in the hands of the executive as is desirable. The hon. the Minister has not said that the principle is bad. He says that it may create inconvenience to Government in granting applications."

The Hon. Rai Bahadur K. VENKATAREDDI NAYUDU:—"Not to the Government, but to the organisers and promoters."

Rao Bahadur C. V. S. NARASIMHA RAJU:—"That is exactly the reason why I want to press the amendment. My point is this, that public money is to be given as aid to the public, and as many people as possible should be given an opportunity to have a share in the profits of the undertakings. It is the duty of the State to regulate the share capital in such a way that small capitalists take interest in the industrial development of the country, and the shy capital, however small it may be, comes out for the development of the country. With these words, I commend this amendment to the acceptance of the House."

Dr. JOHN MATHAI:—"I want to mention in this connexion that all the industries which have not been referred to here, except the cottage industries, are new industries. That is to say, they are industries the possibilities of which have not been sufficiently realized by the country and about which there is bound to be a certain sense of risk in the minds of the investors; and I want to ask if these are the industries likely to appeal to investors. From a practical point of view, I want to suggest that the matter is not quite so important as the hon. Member seems to think."

Rao Bahadur T. A. RAMALINGA CHETTIYAR:—"I am not able to follow the argument of Mr. Narasimha Raju. In the Bill, aid is given not only to companies but also to individuals. This includes small investors also."

12-15 p.m. "And then, Sir, the provision which he wants to be added would mean an interference with the arrangements of the company itself. I do not know whether it is proper or necessary for the Government to make rules as regards the internal arrangements of a company. In the beginning a company may not care for any aid from the Government, but it may come to a position in which it may require such aid. Is it to alter its constitution simply because it has to go to the Government for aid, or is it to deny itself the advantages which this Bill will otherwise give it? I therefore think that there are difficulties in accepting the amendment as proposed and I do not think it will be for the benefit of industries for which this Bill is intended. For these reasons I oppose the amendment."

Rao Bahadur C. V. S. NARASIMHA RAJU:—"Sir, it was said that in the case of new industries small capitalists might be shy in investing their money. When the share amount is fixed, a rich man with an overflowing purse may take a thousand shares, whereas a small capitalist may satisfy himself by taking one or two shares. I do not understand how the situation may be made difficult in the eyes of the expert on industrial questions in this House."

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Clause 5—cont.

Sub-clause (2)—cont.

The hon. the PRESIDENT :—“ Does the hon. Minister in charge want to say anything in reply ? ”

The hon. Rai Bahadur K. VENKATAREDDI NAYUDU :—“ No, Sir.”

MR. V. P. PAKKIRISWAMI PILLAI :—“ Mr. President, Sir, I understand that my hon. friend who moved the amendment wants that aid should be given to those companies which issue shares of the value of Rs. 10 or Rs. 15 each, or for such small sums. If the Government has to give preference to such companies alone, I am afraid the Government or the Board will have to make elaborate inquiries as to which company they should prefer. Such inquiries alone will take a very long time, as lots of cases will have to be examined. Heaps of applications may come from poor companies and Government will have to sanction them, if it is to be laid down that they should be given preference. We cannot pull on for a long time if help is given only to such sort of companies, and Government may not be able to help really deserving big companies. So I think that, in the interests of the public, the Government ought not to be fettered by any such restrictions as are suggested in this amendment. Besides, as industries are a transferred subject, we can safely let the Bill pass as it is, and if in course of time we find that it is not being worked to the benefit of the vast majority of the people, we can bring in amendments to the Act. With these remarks, I oppose the amendment.”

MR. C. V. VENKATARAMANA AYYANGAR :—“ I want to say a few words, Sir, in opposing this amendment on two practical points. My opinion is that the amendment is very vague. It is not clear who is a small investor and who can call himself a big investor. By big investment, we may mean even a crore or two crores of rupees ; but even shares valued at Rs. 50 each may be considered big when dealing with companies with a capital of Rs. 10,000. Even shares valued at Rs. 1,000 each will not be big in large companies as the ‘Tatas’ companies. So it must be defined what a small investment is. Apart from that, there is a practical difficulty. The amendment, if carried, will unnecessarily add to the working expenses of companies. Their lists of shareholders will become very big and as they will have to issue notices to all the shareholders, the printing charges, certainly, and other charges, also, will become unnecessarily high. Moreover the difficulty of the quorum may come in. It is very difficult to work if the discretion of the Government or the Board is fettered by making these small rules compulsory. I think therefore it will be better to leave the discretion entirely to the Board and the Government. Share amounts depend upon the capital amounts that are necessary for particular companies, and also on the manner of people that necessarily subscribe to them. There may be electric companies and big mills, where the value of share stands high, for instance, the Tata Electric Company in Bombay in which the shares are valued at Rs. 1,000 each. There are also manufactories with small companies where each share is worth Rs. 5 or even Re. 1. Therefore any limitation, as suggested in the amendment, will hamper the work of new industries. I therefore oppose this amendment.”

The amendment was put to the House and negatived.

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*Clause 5—cont.**Sub-clause (2)—cont.*

Rao Bahadur C. V. S. NARASIMHA RAJU:—"I beg to move the following amendment:—

11. *Add the following as a proviso:—Provided that no aid shall be given to any individual in preference to a joint stock company.*

"The spirit in which I move this amendment is identical with that of the previous amendment. Whenever an application for aid is made by an individual and also by a company, I hold that the company should be given preference over individuals. The reason is that, as it has already been stated by the hon. the Minister, the leading strings will be in the hands of the Government, but I want to take them away as far as possible from the hands of the Government and retain them in the hands of the Legislature."

Mr. M. SURYANARAYANA PANTULU seconded the amendment.

The hon. Rai Bahadur K. VENKATAREDDI NAYUDU:—"The leading strings, Sir, in the hands of a Government which is responsible to this House and through this House to the country at large need not terrify my friend, as perhaps they did some time ago, unless it be that anyone here, either in the Government or in the House, should try to get out of the control of the people of this country.

"Well, Sir, coming to the amendment itself, I feel again that here is another restriction sought to be imposed on the free flow of capital. The whole purpose of the Bill has been to induce people to come forward with their capital, and to put their money in industries so that the industrial regeneration of the country may be achieved. Now, the hon. Member wants to see that no aid is given to any individual in preference to a joint stock company. Let us take half a dozen or—I do not know exactly the number of persons that can form a company—(*A voice* 'Seven'), or seven persons who may be any body, whether they may be capable or incapable of executing the work they may undertake, or whether they may be capable or incapable of carrying on the industries which they propose to start may form themselves into a company and defeat, by putting in an application to the Government, another application that may be made by an individual. There is the Board and there is the Government, and whatever the mover may say as regards the leading strings, the Board has considerable powers in spite of the fact that its decisions are advisory. If a company is forthcoming, which in the opinion of the Board and the Government is capable of carrying on successfully, can we not conceive that in such cases they will ordinarily reject an individual? I want to know why there should be all these restrictions. This is a Bill which has got to be worked with a broad mind and in a broad spirit, and to put in such restrictions as these will only go against the intentions of the Bill, namely, the helping of industries. I therefore oppose this amendment."

Diwan Bahadur M. KRISHNAN NAYAR:—"I also rise, Sir, to oppose the amendment moved by my hon. friend, Mr. Narasimha Raju. I thought very often that honest and enterprising individuals require aid more than companies. Joint stock companies are very often able to help themselves, and I cannot think that there will be many joint stock companies coming to the Government seeking their help. But it is quite conceivable that there

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Clause 5—cont.

Sub-clause (2)—cont.

will be many individuals who are really honest and want to do some industrial work in the country and who may come to the Government seeking their help. If the amendment had stood the other way, I would have supported it. I think that individuals should be preferred to joint stock companies, but not joint stock companies to individuals. I therefore oppose the amendment."

Diwan Bahadur M. RAMACHANDRA RAO PANTULU :—" Sir, I think that the remarks of my hon. friend, Mr. Krishnan Nayar, are responsible for inducing me to say a few words on this subject. The particular question that is raised is, whether it is the policy of this Bill to help individuals or to assist joint stock companies in which a large number of people put in their capital?"

The hon. Rai Bahadur K. VENKATAREDDI NAYUDU :—" I may point out, Sir, that the policy is to favour industries but not individuals or companies."

Diwan Bahadur M. RAMACHANDRA RAO PANTULU :—" My friend seems to be fairly familiar with the industrial policy in the west. But I do think that the policy in the western countries has been to help joint stock companies, or aggregates of individuals, and not single units in the matter of protection of industries. Therefore, if my hon. friend says that individuals should be helped, he will be creating a class of capitalists who will be working for themselves not necessarily under the limitations of joint stock companies. That is the only point that has been raised, and I am surprised to hear my hon. friend's speech to the effect that the policy that is adumbrated in the amendment should be reversed, and that it should be the duty of the Government to help individual capitalists to improve their own fortune. I do not wish to raise any other proposition, but that seems to be the reason for which my hon. friend has ventilated this amendment. It is true that the Government should have some amount of discretion in dealing with these applications and that the Board should also have certain amount of discretion, but it is a question of policy whether individuals should be helped to make profits from funds borrowed from the State or whether joint stock companies who put in their capital and who are to co-ordinate effort should be helped. I have no doubt that the amendment contains the right idea."

Rao Bahadur T. A. RAMALINGA CHETTIYAR :—" Sir, I think we shall
12-30 p.m. be going beside the point if we concentrate our attention on the leading strings of the Government and such other matters. We are here trying to make a law to help industries. The fostering of industries must be our object. If we apply this test to the present amendment, I should think that it would go very much against that object. It may be that there are several companies with huge capital, which may require large loans. For instance, the cotton industry which is a well-established industry in several places will ask for very large loans. If we are going to prefer these joint stock companies to individuals, it will mean that you will have to pay all the money you are capable of giving as loans to those cotton companies with the result that any new industry that may have come into existence in the country and that may ask for help will receive no aid whatever. So it is not to be considered simply from the point of view of individual or joint stock company. We shall have to consider whether a

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*Clause 5—cont.**Sub-clause (2)—cont.*

particular industry requires help or not, and that I think ought to be a more important consideration than merely the fact whether the person who asks for State aid is an individual or represents a joint stock company. If we accept amendment, it will only mean that such industries as ought to be helped by Government and as ought to be placed on a proper footing should not be helped simply because they are run by individuals. That will be a very bad policy and will go against the fostering of industries, and from that point of view I have to oppose the amendment of Mr. Narasimha Raju."

Dr. JOHN MATHAI:—"With regard to the remark made by Mr. Ramachandra Rao, may I say that, as far as England is concerned, in all aids given under the Development Commission, the distinction that is made is between profit-making concerns and non-profit-making concerns, and not between individuals and joint stock companies?"

Mr. A. Y. G. CAMPBELL:—"I would like to point out the fact that if the amendment of Mr. Narasimha Raju is carried, the cottage industries will be affected. We have, in certain parts of the country, weaving carried on as a cottage industry. Under this amendment we shall be debarred from granting aid to any individual weavers, and therefore the cottage industry of weaving will not get the special assistance under this Bill. Moreover, the provision can be easily evaded by the capitalist who will be able to associate himself with half a dozen men as nominal shareholders. I think, Sir, that the amendment is therefore dangerous."

Rao Bahadur C. V. S. NARASIMHA RAJU:—"Mr. President, I am one of those that are quite jealous of giving power to the executive, and my friend said with reference to this particular Bill, 'you better wait and see how the representatives of the people do their work as executive members'. I think we are yet to learn how they work, and that is the reason why my old habit continues.

"I fear much importance is not given to the word 'preference' in my amendment. When I said preference is to be given to joint stock companies as against individuals, I meant preference should be given to concerns undertaken by joint stock companies over those undertaken by individuals. When both concerns make application for State aid, my amendment means that the State should aid only the joint stock companies, and not the individuals. The reason why I advocate it is that public funds should go to aid joint stock companies more than individuals. I do not, for a moment, mean that when individuals are in the field, and no joint stock companies ask for aid, the individuals should not be helped. My amendment does not mean that and I never intended to convey such a meaning.

"It has been said that seven persons may form a company and demand preference. A company is quite different from a joint stock company. A joint stock company has got its own basis, its own formation and other peculiarities, of which every one of us is fully aware.

"My friend, Mr. Krishnan Nayar, said that he would certainly vote for the amendment if it was inverted. I am not at all able to understand the logic of it. What is the principle on which he is going to support it? Then he went on to say that between individuals and joint stock companies, individuals ought to be preferred. If that be the case, that is exactly the reason why I have tabled this amendment.

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Clause 5—cont.

Sub-clause (2)—cont.

“As I have already submitted, the working of responsible ministers is yet to be watched with great interest. Executive powers are quite different from legislative powers. When individuals are to be preferred to joint-stock companies, there is always danger ahead. I would, therefore, press my amendment.”

The hon. Rai Bahadur K. VENKATAREDDI NAYUDU :—“I may at once say that my hon. friend has not met the points raised on this side of the House. When it was said that any seven persons could form a joint-stock company, my friend wanted to say that that was not a joint stock company. A joint-stock company is one which should conform to certain rules and formalities to which my friend referred. Such companies could be formed with a minimum of seven members. If individuals are treated as ‘men of straw’, as Mr. Campbell would have it, they will be compelled to join with others to form a joint-stock company and bring pressure to bear upon the State. But those persons may not possess the capacity for business. I do not think, Sir, I need worry myself or this House with arguing on that point.

“The other observation which he made was that he was yet to learn something about the Ministry. All that I can say is that if two years were not sufficient for it, perhaps many more years will not be.

“There is one more point referred to by Mr. Ramachandra Rao. My hon. friend observed that in England and in the West the policy has been to assist these companies. I may at once point out to him that, so far as England is concerned, the policy of State aid is of a very, very recent origin, and that, perhaps, is not a matter from which we can draw great many lessons. But, apart from it, it is one thing to declare a policy and another thing to put on a restriction. It may be that it should be the policy of the Government or of the Board to see that some preference is given to joint-stock companies, provided of course the other conditions are fulfilled, namely, business capacity, capacity to put in the necessary money, push and energy which are so very essential for the carrying on of an industry to success. Granting all those conditions are present, it is quite possible that the policy may be perfectly sound. But, as I said, policy is quite different from restriction. What is now sought to be imposed by this amendment is not a declaration of policy but the imposition of a restriction upon bodies which have the authority to give the aid. All I want to say is ‘let this not be fettered by any chains’.”

The amendment was put and lost.

Sub-clause (3).

Rao Bahadur T. NAMBERUMAL CHETTIYAR :—“With reference to sub-clause (3) of clause 5, I wish to ask the Minister if, in the opinion of the Board of Industries, a certain industry is fit to be helped, and, if in the opinion of the Government it is not so fit, whether that industry is to be dropped. The sub-clause says, ‘The decision of the Local Government as to whether the conditions of this section are fulfilled shall be final’. Such an absolute authority or power to veto a proposal would be suicidal to the best interests of the country’s industries. The Board of Industries might treat a particular industry, as a cottage industry and the Government may say it

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*Clause 5—cont.**Sub-clause (3)—cont.*

is not a cottage industry. All that I want to know is whether that decision should finally prevail."

The hon. Rai Bahadur K. VENKATAREDDI NAYUDU:—"No, Sir. I beg to submit that no such thing was intended by that sub-section. If the hon. Member wants to amend it now, notice should have been given. Apart from that, there are peculiar difficulties in the way. The section was conceived on a broader basis than on the basis of cottage industries. Various other matters will have to be decided by the Board and, if an exception like that is made, it might make the working of the Bill almost an impossibility. All I can say is that the hon. Member can trust the Government."

Rao Bahadur T. NAMBERUMAL CHETTIYAR:—"Opinions once arrived at, after careful consideration are often altered according to time, place or circumstances. Industries which were considered *not* economic are now considered to be so. Vested interests assert themselves.

"I understand that Government has started the bobbin industry at Bareilly on a small scale. Those outside India, who were interested in that industry, waited on the Secretary of State, to move the Local Government to put a stop to that industry. Luckily the Secretary of State was firm and would issue no such instructions. If he was otherwise inclined, the bobbin industry would be a sealed book to India. The industry brings in a steady revenue of 30 or 40 lakhs a year to the manufacturers outside India.

"To withhold Government aid or encouragement to that or any other industry which the Board of Industries (to be appointed under the Bill) may unanimously support, would, to say the least, be detrimental to the best interests of India."

The hon. Rai Bahadur K. VENKATAREDDI NAYUDU:—"I may at once refer to the bobbin industry to which my friend has referred. I have myself started inquiries, and I am myself trying to introduce it from the Government point of view. If a private individual is going to adopt it, I may assure him that every assistance will be given to that industry. As for Government stopping any cottage industry, I do not think that Government can actually stop an industry. They may perhaps stop the aid the industry may seek, if in the opinion of the Government the industry is not one that should be assisted. Such a discretion ought to be allowed to the Government. Unless there is something radically wrong in an industry or unless it is uneconomical, the Government will not object to such industries being helped. Let us hope, however, that there will be no such industries."

Rao Bahadur T. NAMBERUMAL CHETTIYAR:—"I applied to the manufacturers in England for information about the machinery suitable for manufacturing bobbins; and I am told that no help will be rendered to starting in India an industry which will be prejudicial to their own interests."

The hon. Rai Bahadur K. VENKATAREDDI NAYUDU:—"If the hon. Member had referred the matter to the Industries Department or to myself, he would have been posted with such information as we have now with us. Even now, he is at liberty to ask for such information."

Clause 5 was then put, passed and added to the Bill.

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Clause 6.

12-45 p.m. Mr. S. ARPUDASWAMI UDAYAR :—“ Sir, I beg to move the following amendment :—

12. *In item (c) after the word ‘subsidy’ insert the words ‘for the training of apprentices’.*

“ Sir, I am of opinion that the provision made for research is a step in the right direction. Nobody acquainted with the conditions prevalent in industrial countries will for a moment minimise the importance of research. The development of industries is inseparably connected with the provision made for research. In the most progressive industrial country in Europe, namely, Germany, we find a wonderful co-operation with the different firms and an equally wonderful co-ordination of work between these firms and the scientists working in the laboratories and the technological institutes. But even in such a progressive industrial country as Germany, provision was made for research, I think only in the first quarter or in the first half of the nineteenth century, that is, long after the industries had been found to be in a flourishing condition. It seems to me, Sir, that provision for the training of apprentices is even more important than that for research. The first five years following the introduction of this Bill will be the period of experimentation ; the success of this measure will largely depend upon the availability of a sufficient number of well-trained apprentices ; and the expansion of the industries will depend upon the training given to these apprentices and their capacity to cope with the work entrusted to them. No doubt provision is made in the Bill imposing an obligation on the part of every recipient of State aid to make suitable arrangements for the training of apprentices ; but I think it will go a great way towards the encouragement of industries, if only the hon. the Minister for Development gives us an assurance that some positive provision will be introduced in the Bill itself empowering the grant of some help for the training of apprentices. I therefore wish that provision should be made here or in some other part of the Bill giving effect to the object contained in my amendment.”

Mr. A. T. PALMER seconded the amendment.

The hon. Rai Bahadur K. VENKATAREDDI NAYUDU :—“ It was not the desire of the Select Committee nor of myself to deprive in any way certain industrial enterprises and businesses of any sums that may be paid to them for the training of apprentices. Certainly the training of apprentices is a very important work in the industrial development of this Presidency. As a matter of fact we have been assisting something like forty educational institutions and industrial schools with funds in the city of Madras itself. We have two big firms which are receiving small sums for the purpose of training apprentices selected by the Government. This portion of the work is more or less of an educational character. Evidently the hon. mover of this amendment has tabled this amendment in view of clause 4 which has been introduced into the Bill by the Select Committee. In order to cover this case and another case about which an amendment is tabled by my hon. friend Mr. Sasibhushana Rath, I have drafted a clause which I have shown to both the hon. Members, Mr. Arpudaswami Udayar and Mr. Sasibhushana Rath and they indicated to me their willingness to have it embodied in the Bill. I shall, with your permission, Sir, move it after the last clause is put and carried. I hope that the hon. mover of

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Clause 6—cont.

this amendment will see his way to withdraw this amendment as he has already seen the new clause which I am going to move presently."

The amendment was by leave withdrawn.

Rao Bahadur C. V. S. NARASIMHA RAJU:—"Sir, I beg to move the following amendment:—

13. *Add the following as item (g):—*

(g) by making plant available on hire-purchase system for cottage industries.

"Sir, I first doubted whether the wording of clause (a) 'by granting a loan' would include the giving of plant on hire-purchase system. I consulted some of my friends on this point and they were also of opinion that the words 'by grant of a loan' did not include giving of plant on hire-purchase system. That is the reason why I gave notice of this amendment. The Indian Industrial Commission has conceded the advisability of aiding small cottage industries by giving plant on the hire-purchase system. Paragraph 301 of the Indian Industrial Commission Report states:

It should be a condition of the loan that it should be spent on approved types of plant and the department itself might when desired by the applicant purchase the plant. There are numerous types of plant suitable for the purposes of agriculture or of small industries which could be made available by Government on the hire-purchase system. This system has already been followed with some degree of success in Mysore by the State Department of Industries and by private concerns elsewhere. We print as Appendix M the rules for hire-purchase in force in the Mysore State as an instance of a mechanism which experience has shown to be effective.

"As this system is already in working order in the Mysore State, I do not think the hon. the Minister for Development will find it difficult to accept the amendment."

Mr. M. SURYANARAYANA seconded the amendment.

The hon. Rai Bahadur K. VENKATAREDDI NAYUDU:—"I am sorry, Sir, I cannot take the advice of my hon. friend. There is a system of loan provided for in the Bill. There is no practical difference between a loan and the hire-purchase system which is now sought to be introduced. In the case of a loan the industrialist purchases the machinery and the machinery becomes his own property at once. In the case of a hire-purchase system, the Government purchase the same and lend it to the industrialist and take a certain sum of money every year or every month, as the case may be, and until the last pie is paid, the machinery remains the property of the Government and if the industrialist should fail to pay any instalment, the machinery will be put up for sale. The result is, that even though the industrialist has paid a portion of the cost of the machinery, he does not become a part owner of the same. It will therefore be noticed that it is not in the interests of the industrialist at all to introduce this hire-purchase system. Even as regards the Government, there are certain practical difficulties in the way. There is the question of insurance. Again, if a machine is purchased by Government and if it is given only on the hire-purchase system, I take it that under the Indian Contract Act, the loss by *vis major* will have to be borne by the Government. I think the purpose of the industrialist will be served so long as he is able to get money for the purchase of machinery. We have also provided for the grant of subsidies for the purchase of machinery. When the granting of loans and the paying of subsidies fulfil

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Clause 6—cont.

the necessary requirements, I think this complicated hire-purchase system will involve additional trouble and difficulty and it will also expose the Government to some risks. The industrialist will also incur a certain amount of loss because he will not become the owner of the property until the last pie is paid down. Under these circumstances, I think it is not at all desirable to incorporate this amendment in the Bill."

Rao Bahadur C. V. S. NARASIMHA RAJU :—" My hon. friend states that loan is preferable to hire-purchase system. I beg to draw the attention of the hon. Minister to the fact that the hire-purchase system is found to work advantageously to the industrialist in the Mysore State. Here I may be permitted to explain the difference between the hire-purchase system and loan. In the case of a loan, whenever Government grant it to any individual for cottage industries, they certainly insist on the giving of proper security before granting the loan. But in the case of the hire-purchase system, the plant itself remains the property of Government and no fresh security is necessary, because the Government remain the owner of the plant until the last pie is paid. That is the main difference between the two and that is why I advocate that the hire-purchase system should be preferred to the loan system. In the case of individuals they may not be able to give sufficient guarantee or security to the Government. They may not be possessed of sufficient property to be shown as security to the Government. Under those circumstances, I think, it is an elementary principle that the hire-purchase system should be preferred to the loan system in the case of small cottage industries. Regarding the supposed inconvenience which may be caused to the Government on account of loss by any *vis major*, I would respectfully draw the attention of the hon. Minister to the successful working of the system in the State of Mysore. When we find that the hire-purchase system is working with admirable success in the neighbouring State of Mysore, the only thing left for the Government to do is simply to copy those rules and adopt the same system here. I am sure the system will work with the same amount of success in this Province also. When I sent notice of this amendment, I did not have in my mind the contingency of utilizing power with a view to aid cottage industries. The word I have used is 'plant' and it does not necessarily include the utilization of any power. Take for instance the iron lathe which is generally used in some villages for iron work especially in the case of shaping sugarcane mills. The iron lathe costs about Rs. 1,000 or Rs. 1,500 and where sugarcane mills are at work it is a very desirable machine. Perhaps it may be beyond the means of a village smithy to obtain a loan and purchase it. But if the Government is prepared to give it, it would be of very great advantage to the industrialist as well as the agriculturist. These were the main principles that I had in my mind when I gave notice of the amendment."

The hon. Rai Bahadur K. VENKATAREDDI NAYUDU :—" I forgot to mention one point, Sir. 'This question' was raised in the debate when the Bill was introduced last month. The speeches in the Legislative Council bearing on the State Aid to Industries Bill were analysed and placed before the Select Committee, and this point was unanimously rejected by the Select Committee."

The amendment was put to the vote and lost.

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Clause 6—cont.

The following amendment standing in the name of Mr. S. Arpudaswami Udayar was not moved and was therefore deemed to have been withdrawn :—

14. *Add the following as item (g) :—*

(g) by arranging with the railway companies for special concession rates in the case of new and nascent industries.

Sriman SASIBHUSHAN RATH Mahasayo :—“ Sir, in view of the assurance given by the hon. the Minister that my amendment or one with a little modification will be moved by him I do not propose to move the amendment standing in my name :—

Add the following after item (f) :—

(g) by making purchases of stores required for the Government of Madras.

(h) by recommending to the Government of India the purchase of such stores.”

The amendment was therefore deemed to have been withdrawn.

Clause 6 was put to the House and passed and added to the Bill.

Clause 7.

Clause 7 was put to the House and passed and added to the Bill.

*Clause 8.**Sub-clause (2).*

The following amendment standing in the name of Mr. S. Arpudaswami Udayar was not moved and was therefore deemed to have been withdrawn :—

15. *For the figure ‘ 50,000 ’ substitute ‘ 20,000.’*

Sub-clause (5).

Mr. A. RANGANATHA MUDALIYAR :—“ Sir, I do not propose to move the first part of my amendment, but I want to move the alternative amendment. I beg to move :—

16. *For the words ‘ unanimous resolution ’ substitute the words ‘ two-thirds majority.’*

“ The sub-clause will then read as follows : ‘ No aid shall be granted under this Act if the Board by a two-thirds majority at a meeting advises the rejection of the application.’

“ I shall briefly explain, Sir, my reason for this amendment. The committee, as it is proposed to be constituted under this Bill, will consist of at least three officials, and I think there are likely to be as many Europeans also on that committee. It has been my experience, and I think the experience of several others in this House, that the points of view from which questions are looked at differ in the case of officials and non-officials. It has been my experience, however honest I may be in my endeavours to co-operate with officials in the work they are carrying on, that they are less than cordial in reciprocating my good feelings. The other day my hon. friend, Mr. T. Sivasankaram Pillai tried to bring to the notice of the Government the

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Clause 8—cont.

Sub-clause (5)—cont.

famine conditions prevailing in certain areas, and what was the reward he got? He was advertised all over the Presidency as having made the report

The hon. the PRESIDENT :—“ I am sorry to interrupt the hon. Member. I would point out to him that we are not dealing with famine conditions just now.”

MR. A. RANGANATHA MUDALIYAR :—“ I want to emphasize the fact that Government officials often take a view which is somewhat different from that of the non-officials. . . .”

The hon. the PRESIDENT :—“ But even that we are not dealing with just now.”

MR. A. RANGANATHA MUDALIYAR :—“ I think my reference was relevant in this way. When the committee consists of a number of officials, their point of view may differ from that of the non-officials in the committee. The degree of European element in the committee will affect us in the same way. An industry which may be considered suicidal to the interests of the country, by the Indian element may be thought the other way by the European element in the committee. Even if a committee may consist of a majority of Indians, and they may unanimously be of opinion that a particular industry should not be helped, the hon. the Minister will not be bound by the opinion of the majority, because, unless it has been rejected unanimously, the hon. the Minister is not bound to accept the advice. I want to strengthen the hands of the hon. the Minister in dealing with a transferred subject. I do not want him to be subjected to influences which may not be patent to many outside, but I want him to be strong in the attitude he may have to take on matters like this. I think that his attitude will be very often one which will be endorsed by the Indians in the country. So, I say, Sir, that instead of the words ‘ unanimous resolution ’ we may substitute the words ‘ two-thirds majority ’. It gives a sufficient guarantee that there will be no hasty rejection of any application. All applications are bound to be well considered, and when as many as two-thirds of the members reject an application there is something to be said in favour of that view, and in such a case the hon. the Minister is bound to act on that advice.”

Rao Bahadur A. S. KRISHNA RAO PANTULU :—“ Sir, I beg to second the amendment. I wish to point out that the select committee having come to a very proper decision that the recommendations of the Board of Industries should be accepted whenever the Board is unanimous regarding the rejection of an application, they must consider and see what is the practical effect of carrying out that resolution. We are all agreed that the view of the Board of Industries should, as far as possible, be accepted by the Government though their functions are of an advisory character. This House is aware that it is with very great difficulty that we have agreed upon the composition of the Board of Industries so as to represent several trading and other interests. Having done that, the retention of the word ‘ unanimously ’ is likely to take away the beneficent result that will otherwise follow from the retention of this provision. Because there are a number of cases in which those who present applications for aid will be able to secure the support of at least one

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Clause 8—cont.

Sub-clause (5)—cont.

member of the Board of Industries. If by the support of one member of the Board of Industries an applicant can prevent the possibility of a unanimous resolution I think, Sir, then the purpose of this clause is taken away altogether. As in the case of other statutes it is certainly desirable that we should not ask for any such provision in the case of a bare majority. But if there is to be a substantial majority, be it two-thirds or three-fourths, it does not matter. I think, Sir, it must be taken as equivalent to the unanimous resolution of that body and effect ought to be given to it. Unless the word 'unanimously' is taken away and the sub-clause modified as suggested, I am afraid, the purpose of the retention of this provision will be taken away altogether. If the hon. the Minister is prepared to accept the suggestion, as I hope he will, I think it may be necessary to have a small verbal amendment by adding the words 'at least by two-thirds majority at a meeting advises the rejection of the application'."

The hon. Rai Bahadur K. VENKATAREDDI NAYUDU:—"I am afraid, Sir, that I cannot accept this amendment. The clause itself is a new one as can be seen from the printing in italics. It was not in the original Bill, but the Board of Industries advised that a provision like this might be included in the Bill and out of deference to the views of the present Board of Directors this clause was put in. I do not propose, Sir, in answering this amendment, to reply to certain observations which my friend Mr. Ranganatha Mudaliyar has allowed himself to let go. As regards his remark that non-officials are influenced by officials, all that I can say is that it is undeserved. Later on he said that he was afraid that the Ministers might be subjected to influences not patent to outsiders and he wanted to protect the Ministers from such influences. Let me assure him, Sir, and the hon. Members of this House that the only influence which can be allowed to bear upon this Government is the influence of this House and of nobody else (*hear, hear, from Mr. Sivasankaram Pillai*), and we have not given so far, I take it, any reason for anyone to believe that any outside influence was ever allowed to bear upon the decisions of this Government.

"Sir, I object to this amendment for two or three reasons. It will be noticed, Sir, that by unanimity is meant only a resolution passed unanimously at a meeting of the *members that are present*. We do not ask for a unanimous resolution of the whole Board of twelve members. And now, if this amendment is accepted, what will be the result? Let us take it that four or five will form the quorum of the Board. Two-thirds of the members may mean two or three, or at the most four. Now, why should an industry be not helped simply because two or three members have rejected it—because two-thirds may mean three or four of those that are present at a particular meeting as my friend apprehends that a particular class of people may be present at a particular meeting, since it is quite possible too that those who are interested in seeing that a particular industry is not assisted may form a majority at that particular meeting? What is the remedy? After all, all that we are asking for is that a large number of persons should have declared themselves in favour of it. The principle of that is recognized here. Sir, if a meeting of the Board be held consisting of Indians alone and they should refuse an application, the Government should not accept it. In other words, my hon.

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Clause 8—cont.

Sub-clause (5)—cont.

friend has got sufficient confidence in the Indian members on the Board of Industries, a confidence which he is not prepared to extend to his Indian colleagues in the Government. Do we cease to be Indians the moment we become Government officials? How then does this argument hold? I think, Sir, this is rather a very unnecessary and insupportable restriction to be placed upon the actions of the Government."

Diwan Bahadur M. KRISHNAN NAYAR :—" May I add just one word to what the hon. the Minister has stated. My friend Mr. Ranganatha Mudaliyar's theory is that there may be a pretty large number of Government officials on this Board. As a matter of fact, the statute itself prescribes the maximum number of Government officials. Clause-3, which has been already passed, says: ' Not more than three of the members shall be Government officials.' The minimum number of this Board is ten and the maximum number will be three on the Board so that out of the twelve members not more than three only can be Government officials. Then, again, I may also say, Sir, that this question whether it should be a unanimous decision or a decision by a majority of two-thirds was carefully considered in the Select Committee which consisted of a pretty large number of members of this House and the unanimous decision of the Select Committee was that it should be unanimous and not a majority of two-thirds. For that reason, I believe, my hon. friend will not press his amendment."

Mr. A. RANGANATHA MUDALIYAR :—" Well, Sir, I do not know if the hon. the Minister has answered the difficulties felt by us. He raised certain other difficulties, but they do not take away the force of the arguments urged by me. I do not mind if it is three-fourths or five-sixths majority. I am of opinion that if it is to be unanimous, we shall be asking for a condition which is impossible of fulfilment."

The amendment was put and lost.

Clause 8 of the Bill was put and carried and added to the Bill.

Clause 9.

Clause 9 of the Bill was put to the House, passed and added to the Bill.

Clause 10.

1-15 p. m. Rao Bahadur C. V. S. NARASIMHA RAJU :—" Mr. President, I move that

17. *For the words ' secured by a mortgage or floating ' substitute the word ' a '.*

" The object of the amendment is that the person taking a loan from the Government need not execute a bond. A statutory charge will be created by mere granting of the loan if my amendment is accepted. Of course, for the recovery of the amount it is provided in the Bill that it should be recovered as arrears of land revenue. When such a remedy is provided, I do not see any reason why a statutory charge should not be created regarding the amount that is granted by the Government as a loan under the Act. It is with this object that I propose this amendment and I commend it for the acceptance of the House."

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Clause 10—cont.

The hon. Rai Bahadur K. VENKATAREDDI NAYUDU :—"I oppose the amendment, Sir, because it is unnecessary. The words 'mortgage or floating security' have been advisedly used. My hon. friend would have noticed the word 'or' between the two forms of security mentioned. It is not necessary, therefore, that both the forms should apply. On the other hand, any one of them will do. Where a mortgage is found necessary, a registered document will be executed. The reason for the provision is this. No doubt we can create a statutory charge upon the property by incorporating in this measure a provision like that contained in the amendment. But I am afraid a mere notification in the gazette will not be a sufficient guarantee to the outside world to let them know what charges there are on the property in case the owner of the property should try to mortgage it for a second or a third time. But if it happens to be a registered deed, it will be open to any one to apply for a copy of the encumbrances in the sub-registrar's office. So it is in the interests of the public that the words 'mortgage or floating security' have been used. It is after all, Sir, a mere form that is involved. I can assure the hon. Member that the security so far as the Government are concerned will be sufficiently safeguarded by the provision as it occurs. As regards giving any advantage by lessening the stamp duty, I am told by my friend, the hon. the Law Member, that there are a number of difficulties in the way and that various provisions are to be amended. I therefore think that the amendment is not necessary for the purpose."

The hon. Mr. K. SRINIVASA AYYANGAR :—"Sir, there is one obvious difficulty which I apprehend from the acceptance of the amendment under consideration. If the amendment is accepted, the clause will read thus :—

Every loan granted under this Act shall be a charge upon the whole of the assets of the business, etc.

"Whether this will not prevent the operations normally done in a business concern is a question to be investigated. At present the House will notice it is a floating charge that the clause provides for. The word floating charge has a definite meaning; it will not prevent the normal operations of a business going on and at the same time it will become what in technical language is called a fixed charge. As soon as proceedings are taken, by the mere introduction of the amendment and by the creation of a charge upon the estates there may be difficulties in working the concern."

Rao Bahadur C. V. S. NARASIMHA RAJU :—"Mr. President, it has been pointed out that the clause, as it is, provides for the creation of mortgage or a floating charge. It has been said that a mortgage is necessary, for a notice may be necessary in some cases to the public and it has been argued that a mere notification in the gazette is not sufficient notice to the public and that registration would constitute such notice. If I remember the law on the point correctly, I think even a notification in the gazette amounts to notice."

The hon. Rai Bahadur K. VENKATAREDDI NAYUDU :—"Sir, I was not speaking of what in law constitutes notice but what I meant was that it was quite open to the public to go to the sub-registrar's office when any transaction was entered into and apply for a copy of encumbrances. Otherwise the person would have to hunt up for the District Gazettes and *Fort St. George Gazettes* and take all the trouble which he could impose upon a public officer by paying a small fee."

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Clause 10—cont.

Rao Bahadur C. V. S. NARASIMHA RAJU :—" I am quite aware of it, Sir, but my point in pressing this amendment is this. Notification in the gazette is presumed to be notice because men are presumed to read the gazette. It is necessary for any man who subsequently advances money to make all necessary inquiries as to the existing charges or encumbrance on the property. How that is avoided in the case of a charge created even under the provisions of this Bill as it now stands I am not able to understand. Regarding the difficulties as to the floating charge, it is not quite clear how a charge once created will affect at all the working of any business. The main intention of my amendment is to remove the words 'secured by a mortgage'. The latter portion of the clause may remain."

The amendment was put to the House and lost.

Rao Bahadur C. V. S. Narasimha Raju did not move the following amendment standing in his name :—

18. *After the words 'at the time of the grant and' insert the words 'shall be secured'.*

The amendment was deemed to have been withdrawn.

Clause 10 was put and carried and added to the Bill.

Clauses 11 to 18.

Clauses 11 to 18 were then put and carried and added to the Bill.

Clause 19.

The following amendment was not moved and was therefore deemed to have been withdrawn :—

Mr. S. ARPUDASWAMI UDAYAR :—

19. *In item (2) after the word 'remuneration' insert the words 'if any'.*

Mr. A. RANGANATHA MUDALIYAR :—" Sir, I beg to move—

Add at the end, the following :—

20. *Provided that such rules are laid before the Legislative Council for its approval and notified in the Fort St. George Gazette when they shall have the force of law.*

"The reason for this amendment is obvious. Much has been left to the rules to be framed under this Bill and the hon. the Minister has already said that the only influences he would allow himself to be subject to are those of the House and I am providing him with an opportunity for ascertaining the views of this House. Of course, if he does not want that the amendment should be accepted because it stands in my name, he may change it, Sir. I do not mind it so long as the substance of my amendment is accepted."

The hon. Rai Bahadur K. VENKATAREDDI NAYUDU :—" Sir, I have absolutely no objection to the hon. Member's name to begin with. The practice usually observed is to place it on the table of the House. Then it will be open to the Members to move resolutions to alter it or amend it. So I propose an amendment to the following effect :—'Provided that such rules are laid on the table of the Legislative Council and notified in the Fort St. George Gazette one month after which they shall have the force of law unless

[Mr. K. Venkatarreddi Nayudu] [20th December 1922]

Clause 19—cont.

amended by the Legislative Council within that period; or if the Council is not sitting during that period, at its next sitting. The words 'at its next sitting' have been introduced so as to avoid its being placed on the table at a time when the Council is not sitting. That is the practice that obtains everywhere and which I adopt in this case."

Mr. A. RANGANATHA MUDALIYAR :—"I, then, beg leave to withdraw my motion."

The amendment was by leave withdrawn.

The hon. Rai Bahadur K. VENKATAREDDI NAYUDU :—"I move my amendment, Sir :—

That the following addition be made to clause 19 :—

"Provided that such rules are laid on the table of the Legislative Council and notified in the Fort St. George Gazette one month after which they shall have the force of law unless amended by the Legislative Council within that period: or if the Council is not sitting during that period, at its next sitting."

Mr. A. RANGANATHA MUDALIYAR :—"I have great pleasure in seconding it, Sir."

Mr. T. SIVASANKARAN PILLAI :—"I beg to propose a small change in the amendment moved. The consideration of the rules may be carried on from one sitting of the Council to another within which time the period of one month may elapse and the rules will have to come into operation."

Rao Bahadur A. S. KRISHNA RAO PANTULU :—"I think, Sir, the amendment requires modification even for the purpose of achieving its object. The hon. the Minister was good enough to tell us that he would allow a modification of the rules at a meeting of the Legislative Council at its next sitting. But the period prescribed is only one month and no provision is made for cases where no meeting is held within that period. The amendment does not make it clear in such a case whether the rules come into operation after the lapse of a month even though no meeting of the Council is held. So the amendment requires a change."

The hon. Rai Bahadur K. VENKATAREDDI NAYUDU :—"I gave my attention to the matter and it is to provide for such a contingency that I used the word 'or'."

At this stage the Council adjourned for lunch.

2-30 p.m. The Council re-assembled after lunch at 2-30 p.m. with M.R.Ry. Diwan Bahadur P. KESAVA PILLAI Avargal in the chair.

The hon. Rai Bahadur K. VENKATAREDDI NAYUDU :—"Sir, I move that the following proviso be added to clause 19 :—

Provided that such rules are laid on the table of the Legislative Council and notified in the Fort St. George Gazette one month after which they shall have the force of law unless amended by the Legislative Council within that period or if the Council is not sitting during that period, at its next meeting."

The hon. Khan Bahadur Sir MUHAMMAD HABIB-UL-LAH SAHIB Bahadur : "I second it."

The amendment was put to the House and accepted.

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Clause 20.

The hon. Rai Bahadur K. VENKATAREDDI NAYUDU :—"Sir, with a view to meet certain objections raised in the course of the debate by my friends, Mr. Sasibhushana Rath and Mr. Arpudaswami Udayar, I beg to move that the following be added as clause 20 of the Bill :—

'20. *Nothing in this Act shall be held to debar the Government—*

(a) *from starting or conducting industrial enterprises for experimental purposes or with a view to stimulate industrial development ;*

(b) *from assisting an industrial business or enterprise by agreements to purchase on business terms the whole or a portion of the products of the same ;*

(c) *from assisting an industrial business or enterprise by giving gratis or on favourable terms, the services of Government officials or experts either in the capacity of advisers or for a limited period not exceeding one year for starting or conducting such business or enterprise ;*

(d) *from assisting an industrial business or enterprise in connexion with industrial education or the training of apprentices.'*"

The hon. Khan Bahadur Sir MUHAMMAD HABIB-UL-LAH SAHIB Bahadur :
"I second it."

Mr. M. SURYANARAYANA :—"Sir, may I suggest to the hon. the Minister that some provision may be added at the end so that, at the close of the period of one year, if it is considered necessary to have the assistance of a special officer for any further period, that assistance may be given."

The hon. Rai Bahadur K. VENKATAREDDI NAYUDU :—"I am afraid, Sir, it is unnecessary. Even the one year period is too long for a Government servant to leave off his work and attend to duties elsewhere. Of course, if it is a question of sparing the services of another officer that will probably be done."

Diwan Bahadur M. RAMACHANDRA RAO PANTULU :—"Sir, I do not see what necessity there is for this new clause. There is nothing in the series of clauses we have passed debarring the Government from starting or conducting any enterprise."

The hon. Rai Bahadur K. VENKATAREDDI NAYUDU :—"Under clause 4, aid to industries is refused except under the provisions of this Bill. This amendment therefore is intended as a mere safeguard to avoid possible contentions that may be raised. I may say, Sir, that this is only an 'enabling clause'."

The amendment was then put to the House and carried.

The preamble of the Bill was then put to the House and carried.

The hon. Rai Bahadur K. VENKATAREDDI NAYUDU :—"I now move that the Bill as amended in this Council be passed into law."

The hon. Khan Bahadur Sir MUHAMMAD HABIB-UL-LAH SAHIB Bahadur :
"I second it."

Rao Bahadur C. NATESA MUDALIYAR :—"Sir, Mr. President, I congratulate the hon. the Minister for Development and the people of this Presidency for this nation-building Bill having come to the stage of being ready to be enacted into law and for its having emerged from the Select Committee almost unscathed. It shows how well the Bill was conceived and how

[Mr. C. Natesa Mudaliyar] [20th December 1922]

Clause 20—cont.

thoroughly it was prepared. The operation of this Bill on a large scale will be heavily handicapped by our iniquitous contribution to the Government of India.

“Industries for the conversion of our raw products into manufactured ones, as for instance match-making, mining and metallurgy, and the training of our young men here and abroad in industries, ought to have our first attention. But taking into consideration our financial circumstances, it is desirable that the Government directs its attention to tried remunerative industrial concerns so that the revenue derived from them may be utilized not only for their own extensions but also for the undertaking and encouraging of fresh enterprises. I request the hon. the Finance Member, if any money is scraped by the Retrenchment Committee, to allow it to be applied in this direction.

“Sir, there is a fear expressed by some people that if India is regenerated industrially, it will be developing factory systems which will attract rural population to urban areas infecting them with all the evils connected with urban life. But let us assure them that, taking lessons from, and having profited by, the mistakes our Western countries committed in the beginning, we will adjust our industrial life with sufficient safeguards for sanitation, housing and education, both elementary and moral, of our labourers.

“Sir, nor this Bill to bear fruit depends upon the fiscal policy of the Government of India. Protection and protection alone can regenerate India both industrially and economically. Some of our Western friends advocate free-trade for India on the plea that protection will increase cost of living and make masses suffer. But let us assure those friends that we Indians are prepared to undergo initial inconveniences and sacrifices; for, no land or country attained salvation without such sacrifices.

“Sir, as per Lord Morley’s fur-coat theory, English fiscal system will not suit the conditions existing in India. It is only the protective tariff that made agricultural America what it is to-day—one of the richest countries, nay, the international banker of the whole world. Sir, it is only when India becomes industrially great that she can hope to be politically great.”

Khan Bahadur MUHAMMAD USMAN SAHIB:—“Sir, I also take this opportunity of offering our very grateful thanks to the hon. the Minister for Development for his having quite successfully piloted this most important piece of legislation through this Council. This Bill is full of potentialities for the industrial regeneration of our country, and by getting this piece of legislation passed through the Council our Minister has done a very great service to our country. By this legislation he has brought credit not only to himself, and to the Government, but also to the Legislative Council itself. For all these reasons I have very great pleasure in offering him our heartiest congratulations and in expressing our great appreciation of the very great service he has rendered to our country.”

Mr. S. ARPUDASWAMI UDAYAR:—“Mr. President, on behalf of the Indian Christian community, I most heartily congratulate the hon. the Minister for Development on the introduction of this measure—the first measure of its kind to be introduced into any provincial Legislative Council. Nobody will accuse me of prying into the secrets of the department when I tell the House that there has been a very large demand for copies of this

20th December 1922] [Mr. S. Arpudaswami Udayar]

Clause 20—cont.

Bill—a sure sign that Bills of a similar nature will be introduced into other local Legislatures and also into the legislative bodies of the various Native States. Till the introduction of this Bill the Indians were living in a state of doubt or uncertainty and amid a great deal of suspicion; but now the clouds have been dispelled, the industrial horizon is very bright, and I think, as my hon. friends who supported the Bill when it was first introduced expressed very emphatically and very clearly, that there is a very large demand in this province for various kinds of industries to be developed, that there is every prospect of such industries being successfully developed, and that this Bill will certainly inaugurate a bright and happy era and open a new chapter in the history of the industrial development in this province. It therefore affords me very great pleasure, Sir, to express the wish and hope that this Bill will be an instrument in the hands of Providence for doing very great good to Indians not only in this province, but throughout the country, and secondly that the various industries which will be started as a result of this Bill being passed into an Act will flourish, will grow, develop, prosper and fructify.”

Rao Bahadur T. BALAJI RAO NAYUDU :—“ Sir, I also rise to thank the hon. the Minister for Development for introducing this Bill before the other Presidencies took it up. I think the people of the Telugu districts may well congratulate themselves on the fact that the Minister who is responsible for taking this bold step happens to be one of their own district. He comes out of my district and he is one of my own colleagues as representing the Kistna district, and so I take this opportunity of congratulating him for the introduction of this most important piece of legislation.”

Mr. V. PAKKIBISWAMI PILLAI :—“ Mr. President, I also beg to congratulate the hon. the Minister on his piloting the Bill so safely. He has yet to obtain the sanction of His Excellency the Governor, as well as of the Governor-General, and I hope the Secretary of State will not raise any objection to it though the present Government in England is said to be not very favourable towards India. The hon. the Minister has of course done already a very great thing, but many things still remain to be done. We cannot reap the fruit of this unless we are provided with sufficient funds to assist these enterprises, and the Government should be liberal enough to lend us sufficient money according to the requirements of the country. As it is, any amount of industrial concerns will be started as soon as this Bill is passed into law and accepted by the Government. I had my own suspicion when the Bill was in the Council whether the Government themselves would be able to start enterprises for the purpose of experiments. From the commencement of the Reforms we have been pressing on the attention of our Minister to get us a sizing machine to size our warps so that we might be in a position to supply all our districts with sized warps. Our country is in need of scientifically sized warps. Hitherto our people were able to get only country-made ones and they are not able to stand the strain of present-day requirements. For the cottage industry, unless the Government have a sizing machine and supply the required sizes to the people, it cannot prosper. For very nearly these 2½ years we have not been able to get it, and every time I ask our Minister, he says ‘ Well, we are waiting for the machine ’. After passing this Bill I hope he will not have any difficulty in finding money for this purpose.”

[Mr. V. Pakkiriswami Pillai] [20th December 1922]

Clause 20—cont.

“With these few words, Sir, I have very great pleasure in congratulating the Minister.”

Mr. C. V. VENKATARAMANA AYYANGAR :—“I also want to say a few words, Sir, in support of the motion. Originally I thought that there would be no speeches necessary to support this motion in view of what has already been done at the introduction of the Bill, but seeing that some of the hon. Members have thought it necessary to support and speak a few words by way of congratulation, I want to add my own words of congratulation, the more so as this measure has been now represented by some to be a party measure. It is one of those national measures on which we should congratulate ourselves and we should congratulate the Minister more on the fact that it has been his privilege to be the first Indian Minister to introduce this Bill and to carry it through this Council. (Cheers). We have yet to see how the Act will be worked in the future. More depends on the way in which the Act is worked than in merely passing it. So far as this Presidency is concerned, there are a number of industries to which he must direct his attention first. Among the major industries where the products are produced in this country, we have those dealing with cotton, jaggery and groundnut. A very large quantity of these things is exported out of this Presidency and also outside this country. I would therefore invite him to see to it that the existing companies for the manufacture of these things are fostered and also that new companies are started on these lines. We have also got a number of small minor industries the development of which will remove the necessity of our getting large imports, such as paper, matches and other things. Above all, our Presidency is rich in water power which can be converted into electric power by little expenditure of money and that will save a large amount of labour and fuel which can be utilized for other purposes.

“Having said so much, I have only one word more, Sir, to add. The whole of this Council must help the hon. the Minister in getting large funds from the Government of India. Without the sinews of war—and the Finance Member's pool is always dry—there is no chance of anything being undertaken. After all, the Minister and the Government are going to supply only about 18 to 20 lakhs of rupees for this purpose for the whole of this year. I do not know if 18 to 20 crores will be sufficient, but in any case 18 to 20 lakhs will be absolutely useless. One of our cotton mills in Coimbatore has got a capital of about 18 lakhs. All that I say is Government must have the power, if they are able to spend money, to have a large resource of money at their back. We are sure that the Minister and the Government will use this money very carefully. Money should not be frittered upon particular industries especially if they are already thriving. Anyhow we may require large sums of money for supporting the industries already in vogue and also for starting new industries for which there is plenty of scope. All that I say is, we thank him much for what has been done, but more in anticipation of what he will do impartially, carefully and cleverly.

“With these few words, Sir, I have very great pleasure in supporting the motion.”

c Rao Bahadur A. S. KRISHNA RAO PANTULU :—“Sir, I also wish to express our gratitude to the hon. the Minister for the step he has taken in inaugurating this legislative measure which is calculated to help the

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Clause 20—cont.

industrial regeneration of our country, and I hope and trust that the time will come when we shall congratulate him once more on the success with which he will carry this measure into actual practice. The success of this measure largely depends upon the funds which he will be able to get in the course of the next year for the industrial concerns. There is a fear that the sum which after all he may succeed in getting from the Government of India for this purpose will not be sufficient for helping the various industrial concerns started and to be started throughout the country in an adequate manner. And may I add, Sir, that there is a fear that small concerns in several rural areas, unknown to those in the metropolis and not properly advertised, may not be in a position to have their legitimate requirements adequately satisfied? My friend, Mr. Venkataramana Ayyangar, has just pointed out that the 18 or 20 lakhs of rupees which may be obtained for this purpose may not be sufficient for even one cotton mill in the Coimbatore district. It may be so or may not be so.

MR. A. RANGANATHA MUDALIYAR :—" May I rise to a point of order, Sir? We are now concerned with the passing of this Bill into law and I do not know whether all these miscellaneous things are relevant to the point at issue."

THE hon. the DEPUTY PRESIDENT :—" I think that such valedictory addresses can be delivered at the time of passing a Bill. Our esteemed Secretary tells me that it is quite in keeping with Parliamentary practice to allow members to make valedictory or benedictory addresses when a Bill is about to be passed. But I think they might be well content with offering benedictions instead of going into all these miscellaneous matters, because I am afraid every member will be glad to pay a tribute to the hon. the Minister for all the trouble he has taken in regard to this epoch-making enactment. There are ever so many other subjects to be gone through and the benedictions have come from representatives of all parts of the country, from the Brahman, from the non-Brahman, from the Muhammadan and from the Christian, and I think we can very well be content with them."

RAO BABADUR A. S. KRISHNA RAO PANTULU :—" I accept your suggestion and I may point out that this is the only occasion when we
3 p.m. can make suggestions about the working of this measure not merely with reference to the clauses which have been incorporated in this Bill but also in respect of the various rules which have to be framed for that purpose. I wish on this occasion to point out that the hon. the Minister has a very serious responsibility in distributing the monies which will be placed at his disposal so as to satisfy the various requirements of the several districts in this Province. If he is going to utilize all the 18 or 19 lakhs of rupees for a particular locality and be satisfied with particular concerns, I may inform him at once that it will create any amount of dissatisfaction throughout the country. It is necessary to remember that the remotest village in this Presidency is anxious to take early advantage of this opportunity to see if it cannot make some headway in showing some industrial progress. If *bona fide* attempts are made and if *bona fide* applications are forthcoming, I hope he will see his way to arrange the distribution of the grant in as equitable and satisfactory a way as possible. With these remarks, I support the motion that the Bill be passed into law."

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Clause 20—cont.

The hon. Rai Bahadur K. VENKATAREDDI NAYUDU :—“ I am so thankful to you, Sir, for permitting me to reply, though perhaps that question would not have arisen if my hon. friends did not speak or if we understood each other better. In keeping with the practice, you will give me this opportunity of thanking the members of this House for the very kind words with which they have received the final stages of this Bill. But in accepting these, I must, Sir, in duty bound pass on these thanks and congratulations to others who have assisted me, no doubt not in the origin of the Bill but in the later stages. The idea of this Bill, Sir, was conceived by me more than a year and a half ago when the outlines of it were given expression to in speeches that I delivered in Tinnevely and Tuticorin. But later on it passed into that admirable body which alone knows where the loopholes are, I mean the Secretariat. Here, the Development Secretary, Mr. Stokes, who is on leave, improved the Bill considerably. Later on, Sir, the Bill was transferred to a Select Committee of the Cabinet and, though my two friends are not here just now, I must recognize and acknowledge with thanks the great services they have rendered not merely in drafting but in improving the substance of the Bill. I refer to the hon. Sir Charles Todhunter and the hon. Mr. K. Srinivasa Ayyangar. Later, Sir, I had the benefit of two eminent experts, Mr. Campbell, who was on special duty on this very subject while in England, studied not merely the conditions of State aid in England and Great Britain but also the conditions of State aid in almost every civilized country, and was good enough to place at my disposal the full knowledge which he alone possesses, without any offence to anybody. Dr. Mathai, as you all know, is a very great professor and a well-known economist and I had the benefit of his advice in the later stages of the Bill. To all these and to the members of the Select Committee who, Sir, as you must have noticed, have allowed the report to pass unanimously, and last but not least this very Council which did not consider this as a party measure and which was ever ready with amendments which individual members considered necessary and to those without whose support I should not have ventured to think of introducing a measure of this kind in the Legislative Council, I tender my thanks.

“ Sir, my hon. friend opposite mentioned that it was a national measure. My friend, Dr. Natesa Mudaliyar, said that without industrial development political freedom would be of no value. Sir, I do not know whether I can say or accept the position in exactly the same terms as they have employed. But permit me, Sir, to say that I myself am a bit of a dreamer. I dreamed very often. I have often dreamed that not only are we set on the road to freedom and full responsible government but that the goal of responsible government is not far off, that we have almost reached the first milestone on that road and that true responsible government otherwise called ‘Swaraj’ is within our sight. There is a national consciousness in it. To that national consciousness must be added the national desire of raising the standard of national living and permit me to say, Sir, that national living is not a possibility when the nation is not sufficiently rich and when there is no national wealth to count. If national wealth is desirable and if the desire is a natural one, may I take the privilege, Sir, in a humble way to say that this measure is an attempt to increase that national wealth? I do not for a moment mean to say that this Bill will bring on new life; but permit me, Sir, to say that provided the Bill is worked in the spirit in which it is

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Clause 20—cont.

conceived, the day may not be yet far off when perhaps India industrially may claim her place in the nations of the world—a place to which she is legitimately entitled, a place to which her immense potentialities of national resource entitle her and which I am told she occupied years ago but which for one reason or another she has lost. You might remember those days as the days of the pagoda tree. Sir, conquests extending over 15 or 16 centuries from different parts of the world have shaken that tree branch and root and I may almost say it was uprooted; and but for the timely intervention of a Providence that sent us the benign British Government over this land there will not perhaps be the possibility of renovating that tree. May I at this stage again, Sir, claim that this Bill may be expected to sow the seed which may once more revive that tree, the tree of pagoda; for, in addition to our agricultural products, the only other thing that can add to our national wealth is the industrial regeneration of this land.

“Sir, there are one or two points to which I should like to reply. Among the criticisms that were levelled from outside this House it was said ‘What can you do with an empty purse?’ It may be, Sir, that our purse is empty. It is true that the impost is working cruelly upon us. But, Sir, if our purse is empty our credit is still high. To those that criticize the Bill on these lines my answer is that many of the purposes in this Bill can be served by the borrowing of money, except perhaps for the purpose of giving bounties. Even for that there is some hope. I think almost everything that is expected by the Government to be done under the provisions of this Bill can be done with borrowed money. My friend opposite told us that 18 or 19 lakhs may not suffice. I agree. But, Sir, that is a provision only for one year. I do not for a moment, Sir, mean to say that it will go a long way; but that is only for the first year. All these dark days cannot continue in our horizon. The cloud is no doubt there. But a silver lining is still visible, and though it is said to be shrouded in certain quarters, Madras will not keep quiet and bear like a brute the burden that is placed on its back just at present. The fight will be continued and the day must come when the authorities above will realize that after all justice will have to be done to us. Sir, my hon. friend opposite referred to certain matters connected with certain particular industries and gave me advice which I must say is wholesome. He referred to various industries like cotton, sugar, oil-seeds, paper, matches and water power. May I take this opportunity of mentioning that every one of these industries has been investigated by myself and by the Department of Industries? We have got information; we have got statistics and in some cases we have even got estimates in order to see what help can be rendered in these directions. While speaking of the natural resources of the country, my hon. friend referred to water force and the power that could be generated therefrom. May I tell him that in the last one year not less than three or four concessions have been granted for this purpose of generating electricity and just now there is a very big scheme under the consideration of the Government intended to supply not merely light and air by means of fans to the municipalities of Coimbatore, Coonoor and the Nilgris, but also with a view to supply power that may be necessary for the factories in the place from which my friend comes. These resources have not been neglected and let it be said to the credit of the department that they have been ever vigilant and that they have been hard worked. If to-day we have not been able to show

[Mr. K. Venkatarreddi Nayudu]

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Clause 20—cont.

as much as we ought to have been able to show in substance it was because we had not powers enough and we had not machinery sufficient to deal adequately with the needs of the country. This Council has given this machinery and has given this power to the Government and all that I can say is that as long as I am here in this place, it shall be my earnest duty to carefully keep the provisions of this Bill in view and do everything that one can possibly do in trying to achieve the object which the Members of this House and myself have, namely, the industrial regeneration of this land."

The motion was put and carried. The Bill was passed into law.

(3)

THE MADRAS SURVEY AND BOUNDARIES BILL, 1921.

The hon. Khan Bahadur Sir MUHAMMAD HABIB-UL-LAH SAHIB Bahadur :

3-15 p.m.

"Mr. President, Sir, the House will remember that on the 13th November last I had the honour to present the report of the Select Committee which was appointed to report on the Bill to amend the law relating to survey of lands and settlement of boundary disputes and moved that the report of that Committee be taken into consideration. At that time some of the hon. Members pleaded that on account of the large number of motions that had been tabled and the short time given to them for studying the various amendments, most of them were unprepared to discuss them; and on behalf of Government I considered it only fair that while the plea urged was that of unpreparedness, I should raise no manner of objection at all. I, therefore, agreed that the further consideration of the Bill might be taken up at the next meeting of the Council and that is why, Sir, I move that the further consideration of the Bill to amend the law relating to survey of lands and settlement of boundary disputes be now taken up."

The hon. Rai Bahadur K. VENKATAREDDI NAYUDU :—"I second the motion."

The motion was put and carried.

Chapter I—Clause 1.

The hon. Khan Bahadur Sir MUHAMMAD HABIB-UL-LAH SAHIB Bahadur : "Sir, in clause 1 (1) the figure '2' has got now to be supplied after the figures '192'. This has been deliberately left out because we had no idea then as to when this Bill would be passed. I, therefore, move that the figure '2' be added to the figures '192'."

The hon. Rai Bahadur K. VENKATAREDDI NAYUDU :—"I second it."

The motion was put and carried.

Clause 1 as amended was put, passed and added to the Bill.

Clause 2.

• Clause 2 was put, passed and added to the Bill.